

**OPINION**  
**49-97**

August 24, 1949            (OPINION)

INSURANCE

RE: Use of Proceeds of Insurance on Village Hall

Your letter of August 22, asking whether or not the village board may use the proceeds of the insurance of the village hall to put in new water mains in the village, has been referred to me for reply.

It is our opinion that this may not easily be done. When an insured public building burns, the insurance money stands to the public exactly as the building did, and the money can legally be used only to replace the building burned.

If your village no longer desires to have and own a village hall, it might be that if the questions were put to a vote of the electors of the village, they would so determine, and at the same time they might pass upon the question whether or not the money received from the insurance could be used for other public purposes. The village has the power to put in new water mains if the old water mains need replacement and the village has the right to make this replacement at the expense of the entire village. The village may also sell bonds for the purpose of replacing the water mains or it may replace the water mains at the expense of the public by means of special assessment warrants, by assessing the benefits to the property benefited by the replacement of the mains. Such assessments might be spread over the entire village if the water mains are vital to the water system.

WALLACE E. WARNER

Attorney General